

25X1A

95291

CENTRAL INTELLIGENCE GROUP  
INTELLIGENCE REPORT

COUNTRY USSR

DATE: 25X1A

SUBJECT Income Tax System

INFO.

DIST.

PAGES

25X1X

This document is hereby regraded to  
CONFIDENTIAL in accordance with the  
letter of 10 October 1963 from the  
Director of Central Intelligence to the  
Director of the Central Intelligence Group.

1. The basis of the Soviet system of taxation is the law of 30 April 1943. Principal place is given to the taxation of income, which affects the urban population through the tax on salaries and that part of the rural population which works in State enterprises through the tax on the income of the kolkhozes.
2. Tax deductions from salaries are in accordance with a scale which takes into account the social character of the taxable group. Urban incomes not exceeding 1,000 rubles per month are taxed on a progressive scale; at 1,000 rubles the progression stops and thereafter, tax remains proportional. The present tax on industrial workers' salaries is as follows:

Up to 200 rubles per month.....2.5%  
From 200 to 400 rubles.....4.0%  
From 400 to 1,000 rubles.....8.2%  
Over 1,000 rubles.....13.0%

However, for artists, writers, independent artisans, and professional workers the above scale is increased ten percent. Numerous exemptions are provided for by law for Heroes of the Soviet Union, Stalin Prize winners, heads of large families, artisans earning less than 150 rubles per month, and others.

3. The taxing of agricultural incomes is very complicated. Before 1939, the incomes of collective farmers derived from individual exploitation were subject to only moderate taxes, varying from 10 to 50 rubles and not progressive. This system, which curiously favored individual initiative, was modified first by the law of 1 September 1939 and then by the law of 30 April 1943, which established a progressive rural tax. In order to evaluate this tax, the State fixes a norm of rentability of various sources of income; this varies according to the nature of the exploitation and the economic peculiarities of different republics. For example, the rentability of an are (100 square meters) of vineyard varies in the USSR from 180 to 240 rubles and that of a horse from 2,000 to 2,500 rubles.
4. Taking into account the differences in income between collective farmers and independent peasants, the agricultural taxes now in force are as follows:

Annual income of peasant	Collective farmer's tax	Independent peasant's tax
0-2,000 rubles	8%	110 to 270 rubles

CLASSIFICATION

SECRET

Document No. 005

NO CHANGE in Class.

DECLASSIFIED

Class. CHANGED TO: TS 3

Auth: DDA Approved For Release 2001/03/05 : CIA-RDP82-00457R000700600005-7

Date: 6 Apr 78 By: 018

CONFIDENTIAL

REFERENCE ONLY LIBRARY

CONFIDENTIAL

95291

Annual income of peasant	Collective farmer's tax	Independent peasant's tax
2,000-3,000 rubles	8% on 2,000 rubles plus 10% on surplus	13% on 2,000 rubles plus 20% on surplus
3,000 to 8,000 rubles	15%	18%
Over 8,000 rubles	15% on 8,000 rubles plus 30% on surplus	18% on 8,000 rubles plus 45% on surplus

Only agricultural workers who claim a minimum of four dependents are entitled to a decrease of 15%. This system is considered particularly rigorous for the peasants, among whom there are numerous frauds with which the Soviet administration deals without pity.

5. Three other taxes are worthy of mention:

- Tax on built-up real estate: Up to 0.5% of the value of land belonging to public cooperative and state organizations and up to 1.0% for other types.
- Land tax: 1.05% collected on land, whether built up or not, when it is put at the disposition of enterprises, organizations, or individuals for unlimited exploitation.
- Tax on celibates and small families: Created at the end of 1941 and paid by men 20-50 years old and women 20-45 years old.

6. The estimated budget for 1947, as of 24 March 1947, compared with that of 1946 is as follows (in billion rubles):

	1947	1946
Tax on income	254.7	191
Tax on industrial profits	18.7	16.2
Various	391.5	not given
Total	664.9	

This document contains information affecting the national defense of the United States within the meaning of the Espionage Act, 50, U.S.C. 31 and 32 as amended. Its transmission or the revelation of its contents in any manner to an unauthorized person is prohibited by law.

SECRET

CONFIDENTIAL

REFERENCE CENTER LIBRARY